

Michigan Department of Community Health  <b>Outpatient Prospective Payment System (OPPS) Project Decisions Documentation</b>	<b>TITLE / ISSUE :</b>	
	Regional Fee Schedules - PROPOSED	
	<b>POINT PERSON</b>	DATE INITIATED/REVISED
	Steven Ireland	2/6/06
<b>Issue Description:</b>  Medicare applies regional adjustments for two fee schedules – Ambulance and physician. There is discussion as to whether the State Of Michigan will use Medicare's logic for applying or use one set schedule.		
<b>Research and Discussions Summary</b>  <p>Currently, the State Of Michigan sets new fee screens at 90% of the Medicare payment for the lowest paid region. In other words, the urban Ambulance rate is less than the rural, so the Medicaid fee schedule for Ambulance services is set at 90% of the urban fee schedule rates. For physician services, the “rest of state” fee schedule is applied (versus “Detroit” regional fee schedule).</p> <p>The ambulance fee schedule for Medicare utilizes zip code identification which is not properly captured under Michigan's current processing system.</p> <p>Management has indicated a desire to maintain the practice of utilizing the lowest fee schedule.</p> <p>With the application of the reduction factor (to maintain budget neutrality and convert OPPS to Medicaid), the application of specific fee schedules within the OPPS can be accounted for and the effect neutralized.</p>		
<b>Conclusion</b>  Use the “rest of state” physician fee schedule, and the urban rates for hospital-owned ambulance services.		
<b>Action Required (systems, publications, etc.)</b>  Implement with OPPS system requirements. Notification in policy bulletin.  Review rates for non-hospital owned (PT 18) ambulance services.		